

NORTH SASKATCHEWAN WATERSHED ALLIANCE
Financial Statements
Year Ended March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of North Saskatchewan Watershed Alliance

Opinion

We have audited the financial statements of North Saskatchewan Watershed Alliance (the Society), which comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenses, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(continues)

*Operates through Cheng S. Lim Professional Corporation.

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Independent Auditor's Report to the Members of North Saskatchewan Watershed Alliance (*continued*)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lim & Associates

Edmonton , AB
June 5, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

NORTH SASKATCHEWAN WATERSHED ALLIANCE

Statement of Revenues and Expenses

Year Ended March 31, 2023

| | Watershed Grants | Pembina Regional Lake | Web Portal Project | Educational Videos for All | Alberta Community Partnership | General Fund | Reserve Fund | 2023 | 2022 |
|--|------------------|-----------------------|--------------------|----------------------------|-------------------------------|---------------------|--------------|---------------------|-------------------|
| <i>Schedule 1</i> | | | | | | | | | |
| REVENUES | | | | | | | | | |
| Contributions - municipal funding | \$ - | \$ - | \$ 6,969 | \$ - | \$ - | \$ 417,788 | \$ - | \$ 424,757 | \$ 424,874 |
| Contributions - grants | 147,243 | - | - | - | - | 392,600 | - | 539,843 | 657,956 |
| Contributions - In kind (Note 11) | - | - | - | - | - | 524,703 | - | 524,703 | 477,906 |
| Donations | - | 5,359 | - | 34,916 | - | 2,103 | - | 42,378 | 13,286 |
| Interest income | 4,910 | 315 | 815 | 545 | - | 7,828 | - | 14,413 | 2,715 |
| Publication sales | - | - | - | - | - | 209 | - | 209 | 586 |
| Reimbursements | - | - | - | - | 68,529 | - | - | 68,529 | 27,500 |
| | <u>152,153</u> | <u>5,674</u> | <u>7,784</u> | <u>35,461</u> | <u>68,529</u> | <u>1,345,231</u> | <u>-</u> | <u>1,614,832</u> | <u>1,604,823</u> |
| EXPENSES | | | | | | | | | |
| Accounting and legal fees | - | - | - | - | - | 85,728 | - | 85,728 | 60,070 |
| Amortization | - | - | - | - | - | 19,064 | - | 19,064 | 12,560 |
| Communications and promotions | 3,475 | - | - | 14,252 | 2,783 | 6,354 | - | 26,864 | 18,179 |
| Fieldwork and assessment | - | - | - | - | - | - | - | - | 225 |
| In-kind expenses (Note 11) | - | - | - | - | - | 524,703 | - | 524,703 | 477,906 |
| Insurance | - | - | - | - | - | 5,899 | - | 5,899 | 5,782 |
| Meetings and conventions | 1,033 | - | - | - | - | 3,195 | - | 4,228 | 275 |
| Office expenses | 152 | - | - | - | - | 40,618 | - | 40,770 | 27,152 |
| Promotional publications | - | - | - | - | - | - | - | - | 3,131 |
| Rent and utilities | - | - | - | - | - | 35,435 | - | 35,435 | 38,512 |
| Restoration work | - | - | - | - | - | - | - | - | 55,749 |
| Salaries and benefits | 159,152 | 4,474 | - | 21,209 | 35,395 | 628,491 | - | 848,721 | 640,876 |
| Technical and consulting fees | 33,745 | 1,200 | - | - | 30,026 | 3,380 | - | 68,351 | 129,308 |
| Telephone and internet | - | - | - | - | - | 6,749 | - | 6,749 | 7,151 |
| Travel and accommodation | 2,509 | - | - | - | 325 | 7,543 | - | 10,377 | 3,650 |
| Website costs | - | - | 7,784 | - | - | 90 | - | 7,874 | 25,238 |
| | <u>200,066</u> | <u>5,674</u> | <u>7,784</u> | <u>35,461</u> | <u>68,529</u> | <u>1,367,249</u> | <u>-</u> | <u>1,684,763</u> | <u>1,505,764</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS | <u>(47,913)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(22,018)</u> | <u>-</u> | <u>(69,931)</u> | <u>99,059</u> |
| OTHER INCOME (EXPENSES) | | | | | | | | | |
| Canada Emergency Wage and Rent Subsidy | - | - | - | - | - | - | - | - | 129,013 |
| Internal grants | 47,913 | - | - | - | - | (130,500) | - | (82,587) | - |
| | <u>47,913</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(130,500)</u> | <u>-</u> | <u>(82,587)</u> | <u>129,013</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (152,518)</u> | <u>\$ -</u> | <u>\$ (152,518)</u> | <u>\$ 228,072</u> |

NORTH SASKATCHEWAN WATERSHED ALLIANCE

Statement of Changes in Fund Balances

Year Ended March 31, 2023

| | Watershed Grants | Pembina Regional Lake | Web Portal Project | Educational Videos for All | Alberta Community Partnership & Watershed Communication | General Fund | Reserve Fund | 2023 Total | 2022 Total |
|--|------------------|-----------------------|--------------------|----------------------------|---|--------------|--------------|---------------------|--------------|
| FUND BALANCES - BEGINNING OF YEAR | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 532,044 | \$ 605,000 | \$ 1,137,044 | \$ 908,972 |
| Deficiency of revenues over expenses | - | - | - | - | - | (152,518) | - | (152,518) | 228,072 |
| FUND BALANCES - END OF YEAR | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 379,526 | \$ 605,000 | \$ 984,526 | \$ 1,137,044 |

NORTH SASKATCHEWAN WATERSHED ALLIANCE

Statement of Financial Position

March 31, 2023

| | Watershed Grants | Pembina Regional Lake | Web Portal Project | Educational Videos for All | Watershed Communication | General Fund | Reserve Fund | 2023 Total | 2022 Total |
|---|------------------|-----------------------|--------------------|----------------------------|-------------------------|--------------|--------------|--------------|--------------|
| ASSETS | | | | | | | | | |
| CURRENT | | | | | | | | | |
| Cash | \$ 197,120 | \$ 21,641 | \$ 47,339 | \$ 33,985 | \$ 140,750 | \$ 454,620 | \$ - | \$ 895,455 | \$ 842,377 |
| Short term investments (Notes 3, 9) | - | - | - | - | - | - | 605,000 | 605,000 | 605,000 |
| Contributions receivable | - | - | - | - | - | 114,722 | - | 114,722 | 82,280 |
| GST rebates receivable | - | - | - | - | - | 3,705 | - | 3,705 | 3,945 |
| Interest receivable | - | - | - | - | - | 3,376 | - | 3,376 | 436 |
| Prepaid expenses | - | - | - | - | - | 3,319 | - | 3,319 | 2,919 |
| | 197,120 | 21,641 | 47,339 | 33,985 | 140,750 | 579,742 | 605,000 | 1,625,577 | 1,536,957 |
| CAPITAL ASSETS (Note 4) | - | - | - | - | - | 22,178 | - | 22,178 | 34,755 |
| | \$ 197,120 | \$ 21,641 | \$ 47,339 | \$ 33,985 | \$ 140,750 | \$ 601,920 | \$ 605,000 | \$ 1,647,755 | \$ 1,571,712 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| CURRENT | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 43,619 | \$ - | \$ 43,619 | \$ 41,645 |
| Fund held in trust - CWRA | - | - | - | - | - | 6,054 | - | 6,054 | 6,054 |
| Employee deductions payable | - | - | - | - | - | 21,499 | - | 21,499 | 13,094 |
| Deferred contributions - externally restricted (Note 6) | 114,533 | 21,641 | 47,339 | 33,985 | 140,750 | 151,222 | - | 509,470 | 373,875 |
| Deferred contributions - internally restricted (Note 7) | 82,587 | - | - | - | - | - | - | 82,587 | - |
| | 197,120 | 21,641 | 47,339 | 33,985 | 140,750 | 222,394 | - | 663,229 | 434,668 |
| FUND BALANCES | - | - | - | - | - | 379,526 | 605,000 | 984,526 | 1,137,044 |
| | \$ 197,120 | \$ 21,641 | \$ 47,339 | \$ 33,985 | \$ 140,750 | \$ 601,920 | \$ 605,000 | \$ 1,647,755 | \$ 1,571,712 |

LEASE COMMITMENTS (Note 10)

SUBSEQUENT EVENT

ON BEHALF OF THE BOARD

Stephanie Newfield
Chair

Treasurer

DocuSigned by:

Adam Polzen

E63CD5C5B1AE431...

NORTH SASKATCHEWAN WATERSHED ALLIANCE**Statement of Cash Flows****Year Ended March 31, 2023**

| | 2023 | 2022 |
|--|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenues over expenses | \$ (152,518) | \$ 228,072 |
| Item not affecting cash: | | |
| Amortization of capital assets | <u>19,064</u> | 12,560 |
| | <u>(133,454)</u> | 240,632 |
| Changes in non-cash working capital: | | |
| Contributions receivable | (32,442) | 158,019 |
| GST rebates receivable | 240 | 585 |
| Interest receivable | (2,940) | (59) |
| Prepaid expenses | (400) | - |
| Accounts payable | 1,974 | (25,908) |
| Fund held in trust - CWRA | - | (5,000) |
| Employee deductions payable | 8,405 | (485) |
| Deferred contributions - externally restricted | 135,595 | (241,476) |
| Deferred contributions - internally restricted | <u>82,587</u> | - |
| | <u>193,019</u> | (114,324) |
| Cash flow from operating activities | <u>59,565</u> | 126,308 |
| INVESTING ACTIVITIES | | |
| Purchase of capital assets | (6,487) | (40,415) |
| Proceeds on disposal of short term investments | 605,000 | 280,000 |
| Purchase of short term investments | <u>(605,000)</u> | (605,000) |
| Cash flow used by investing activities | <u>(6,487)</u> | (365,415) |
| INCREASE (DECREASE) IN CASH FLOW | 53,078 | (239,107) |
| Cash - beginning of year | <u>842,377</u> | 1,081,484 |
| CASH - END OF YEAR | <u>\$ 895,455</u> | <u>\$ 842,377</u> |

NORTH SASKATCHEWAN WATERSHED ALLIANCE

Notes to Financial Statements

Year Ended March 31, 2023

1. PURPOSE OF THE SOCIETY

North Saskatchewan Watershed Alliance (the "Society") is a not-for-profit society, incorporated in 2000 under the Societies Act of Alberta and registered as a charity on September 11, 2015 under the Income Tax Act. As a registered charity the Society is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act.

The Society operates to protect and improve water quality and ecosystem functioning in the North Saskatchewan River Watershed within Alberta. The Society is governed and guided by the Board of Directors elected by members within the watershed. The day-to-day operations are run by the Executive Director and staff.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting

North Saskatchewan Watershed Alliance follows the deferral method of accounting for contributions.

The General Fund accounts for the Society's operating and administrative activities and surplus or deficiency of revenues over expenditures from any completed project(s). This fund reports the contributions for general purposes.

All other funds are externally restricted for the activities that are indicated by the fund description.

The Restricted Fund is internally restricted for the purposes described in Note 7.

The Society may refund the Restricted Funds surplus from completed projects to the funder(s) at the end of the grant agreements.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and bank balances, net of cheques issued and outstanding at the reporting date.

Short term investments

Short term investments are comprised of guaranteed investment certificates with maturity dates of less than one year.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

| | | |
|------------------------|-----|--------------------------|
| Computer equipment | 55% | declining balance method |
| Furniture and fixtures | 20% | declining balance method |

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NORTH SASKATCHEWAN WATERSHED ALLIANCE

Notes to Financial Statements

Year Ended March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The Society regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

On July 1, 2019 the Society adopted the new accounting standard ASNPO 4433 - Tangible capital assets held by not-for-profit organizations. This standard is applied on a prospective basis. As a result of the implementation of this new standard, the society has updated their policy as it relates to the impairment of tangible capital assets as follows:

When conditions indicate a tangible capital asset is impaired, the carrying value of the tangible capital asset is written down to the asset's fair value or replacement cost. The write down of the tangible capital assets is recorded as an expense in the statement of operations. A write-down shall not be reversed.

Revenue recognition

North Saskatchewan Watershed Alliance follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

The Society recognizes revenues when they are earned, specifically when all the following conditions are met:

- services are provided or products are delivered to customers
- there is clear evidence that an arrangement exists
- amounts are fixed or can be determined
- the ability to collect is reasonably assured.

Donated services and materials

Volunteers contribute time each year to aid the Society in carrying out its service delivery activities. Because of the difficulty in determining the fair value of contributed services and meetings, the financial value of contributed services and meetings are recognized as an estimation in the financial statements.

Contributions in-kind are recognized only to the extent that they would have been purchased in the normal course of operations and their fair value is reasonably determinable. The continued operation of the organization is depending on the continued support of members, volunteers and board of directors.

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NORTH SASKATCHEWAN WATERSHED ALLIANCE

Notes to Financial Statements

Year Ended March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Measurement of Financial Instrument

Financial instruments are financial assets or liabilities of the Society where, in general, the Society has the right to receive cash or another financial asset from another party or the Society has the obligation to pay another party cash or other financial assets.

The Society initially measures its financial assets and liabilities at fair value.

The Society subsequently measures its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, short term investments, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

Financial assets measured at cost or amortized cost are tested for impairment, at the end of each year, to determine whether there are indicators that the asset may be impaired. The amount of the write-down, if any, is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in operations.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. SHORT TERM INVESTMENTS

| | <u>2023</u> | <u>2022</u> |
|--|-------------------|-------------------|
| Non-redeemable guaranteed investment certificates bearing interest from 3.80% per annum to 4.60% per annum maturing between September 2023 and March 2024. | \$ 605,000 | \$ - |
| Non-redeemable guaranteed investment certificates bearing interest from 0.50% per annum to 0.75% per annum maturing between September 2022 and March 2023. | - | 605,000 |
| | <u>\$ 605,000</u> | <u>\$ 605,000</u> |

NORTH SASKATCHEWAN WATERSHED ALLIANCE

Notes to Financial Statements

Year Ended March 31, 2023

4. CAPITAL ASSETS

| | Cost | Accumulated amortization | 2023 Net book value | 2022 Net book value |
|------------------------|------------------|-----------------------------|------------------------------------|---------------------------|
| Computer equipment | \$ 54,976 | \$ 37,093 | \$ 17,883 | \$ 29,386 |
| Furniture and fixtures | 21,573 | 17,279 | 4,294 | 5,368 |
| | \$ 76,549 | \$ 54,372 | \$ 22,177 | \$ 34,754 |

5. ECONOMIC DEPENDENCE OF GOVERNMENT ASSISTANCE

The Society receives substantial revenues from the Government of Alberta and the City of Edmonton and is financially dependent on the governments for funding.

| | Abbreviation | Project fundings | Start Date | End Date |
|-------------------------------|---------------------|-----------------------------|-------------------|-----------------|
| Alberta Environment and Parks | General Fund | 310,000 | 01/04/2022 | 31/03/2023 |
| | Riparian Health | | | |
| Alberta Environment and Parks | Action Plan | 130,000 | 01/04/2019 | 31/03/2024 |
| | Watershed | | | |
| Alberta Environment and Parks | Communication | 109,000 | 01/04/2022 | 31/03/2026 |
| EPCOR | General Fund | 235,000 | 01/04/2022 | 31/03/2023 |
| | Wetland | | | |
| EPCOR | Strategies | 140,000 | 01/04/2022 | 31/03/2026 |
| Total | | \$ 924,000 | | |

NORTH SASKATCHEWAN WATERSHED ALLIANCE

Notes to Financial Statements

Year Ended March 31, 2023

6. DEFERRED CONTRIBUTIONS - EXTERNALLY RESTRICTED

Deferred contributions represent unspent externally restricted contributions for the projects and unrestricted contributions for the NSWA's operations. The changes in the deferred contributions balances are summarized for 2022 - 2023 as follows:

| | 21-22 Deferred Revenue | 22-23 Revenue Collected | 22-23 Revenue Recognized | 23-24 Deferred Revenue |
|-----------------------------------|------------------------------|-------------------------------|--------------------------------|------------------------------|
| Alberta Environment and Parks | - | \$ 310,000 | \$ (310,000) | - |
| EPCOR | - | 235,000 | (235,000) | - |
| Edmonton Community Foundation | - | 82,600 | (82,600) | - |
| Municipal contributions | 132,381 | 201,625 | (182,784) | 151,222 |
| Alberta Community Partnership | - | 68,529 | (68,529) | - |
| Canadian Agricultural Partnership | 85,913 | - | (85,913) | - |
| Educational Videos for All | 43,909 | 25,000 | (34,924) | 33,985 |
| Pembina Regional Lake | - | 27,000 | (5,359) | 21,641 |
| Riparian Health Action Plan | 66,864 | - | (57,548) | 9,316 |
| Riparian Web-Portal | 44,808 | 10,315 | (7,784) | 47,339 |
| Watershed Communiton | - | 140,750 | - | 140,750 |
| Wetland Strategies | - | 109,000 | (3,783) | 105,217 |
| Total | \$ 373,875 | \$ 1,209,819 | \$ (1,074,224) | \$ 509,470 |

7. DEFERRED CONTRIBUTIONS - INTERNALLY RESTRICTED

Deferred contributions represent unspent internally restricted contributions for the NSWA's project. The changes in the deferred contributions balances are summarized for 2022 - 2023 as follows:

| | 21-22 Deferred Revenue | 22-23 Revenue Collected | 22-23 Revenue Recognized | 23-24 Deferred Revenue |
|------------------------|------------------------------|-------------------------------|--------------------------------|------------------------------|
| State of the Watershed | \$ - | \$ 100,000 | \$ (17,413) | \$ 82,587 |

NORTH SASKATCHEWAN WATERSHED ALLIANCE

Notes to Financial Statements

Year Ended March 31, 2023

8. CONTRIBUTIONS FROM MAJOR SOURCES

Contributions from major sources recognized as revenues are as follow:

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Restricted funds | | |
| Alberta Community Partnership | 68,529 | 27,501 |
| Canadian Agricultural Partnership | 85,913 | 165,241 |
| Educational Videos for All | 34,924 | 6,160 |
| Riparian Health Action Plan | 57,548 | 32,028 |
| WRRP - Vermilion | - | 64,331 |
| Restricted funds | 246,914 | 295,261 |
| General funds | | |
| Alberta Environment and Parks | 310,000 | 310,000 |
| EPCOR | 235,000 | 235,000 |
| Municipal contributions | 182,784 | 170,251 |
| Edmonton Community Foundation | 82,600 | 77,600 |
| General funds | 810,384 | 792,851 |
| Total contributions from major sources | \$ 1,057,298 | \$ 1,088,112 |

9. RESERVE FUND

| | 2023 | 2022 |
|----------------------------------|-------------------|-------------------|
| Operating Reserve Fund | \$ 400,000 | \$ 400,000 |
| Society Dissolution Reserve Fund | 205,000 | 205,000 |
| | \$ 605,000 | \$ 605,000 |

The Operating Reserve Fund is internally restricted and designated by the Board for costs associated with managing annual operating budget surpluses and deficits and providing funding to support special projects or new opportunity initiatives.

The Society Dissolution Reserve Fund is internally restricted and designated by the Board for costs associated with winding down if the society is dissolved or emergencies.

10. LEASE COMMITMENTS

The Society has long term leases with respect to its rent premises and computer equipment. The premises lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at March 31, 2023, are as follows:

| | Premises | Equipment | Total |
|------|-------------------|------------------|-------------------|
| 2024 | \$ 38,642 | \$ 9,382 | \$ 48,024 |
| 2025 | 38,642 | 9,382 | 48,024 |
| 2026 | 32,464 | 5,644 | 38,108 |
| | \$ 109,748 | \$ 24,408 | \$ 134,156 |

NORTH SASKATCHEWAN WATERSHED ALLIANCE

Notes to Financial Statements

Year Ended March 31, 2023

11. CONTRIBUTED SERVICES IN-KIND

EPCOR provided the in-kind contribution of staff time in equivalent to 50 cents per capita based on City of Edmonton water and wastewater customer population to support the Society and its efforts to develop and implement watershed planning for the North Saskatchewan River.

Throughout the year, the Society coordinated and engaged in multiple Board and Steering Committee meetings, making substantial contributions to various projects.

| | <u>2023</u> | <u>2022</u> |
|--|--------------------------|--------------------------|
| EPCOR | 280,591 | 274,932 |
| | <u>280,591</u> | <u>274,932</u> |
| Riparian Health Action Plan | 65,648 | 60,690 |
| Board meetings - NSWA | 64,330 | 56,482 |
| Vermilion River Watershed Management Project | 44,430 | 30,977 |
| Sturgeon River Watershed SC and TAC | 28,178 | 21,165 |
| Headwaters Alliance | 10,038 | 13,430 |
| Watershed Videos | 3,251 | 13,324 |
| Lake Watershed Stewardship Groups | 14,956 | 5,419 |
| Communication | 170 | 1,487 |
| State of the Watershed | 7,650 | - |
| Wetland Strategy | 5,461 | - |
| | <u>244,112</u> | <u>202,974</u> |
| Total contributed services In-Kind | <u>\$ 524,703</u> | <u>\$ 477,906</u> |

12. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2023.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Cash and short term investments are in place with major financial institution. Accounts receivable consists of receivable from municipalities and accrued interest on investments. The Society does not believe it is subject to any significant concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, long-term debt and accounts payable. It is the Society's opinion that there is no significant liquidity risk as of March 31, 2023.

(continues)

NORTH SASKATCHEWAN WATERSHED ALLIANCE

Notes to Financial Statements

Year Ended March 31, 2023

12. FINANCIAL INSTRUMENTS (*continued*)

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Program manages exposure through its normal operating activities. The Society is exposed to interest rate risk primarily through its floating interest bearing assets. The Society minimizes the risk by investing in guaranteed investment certificates bearing interest from 3.80% to 4.60% per annum. The guaranteed investment certificates are in place with a major financial institution.

NORTH SASKATCHEWAN WATERSHED ALLIANCE

Watershed Grants

(Schedule 1)

Year Ended March 31, 2023

| | Canadian Agricultural Partner | Riparian Action Plan | State of the Watershed | Wetland Strategies | 2023 | 2022 |
|---|-------------------------------------|-------------------------|---------------------------|-----------------------|----------------|---------------|
| REVENUES | | | | | | |
| Contributions - grants | \$ 85,913 | \$ 57,548 | \$ - | \$ 3,784 | \$ 147,245 | \$ - |
| Contributions - municipal funding | - | - | - | - | - | 19,621 |
| Interest income | 329 | 960 | 1,782 | 1,838 | 4,909 | 79 |
| Reimbursements | - | - | - | - | - | 27,500 |
| | <u>86,242</u> | <u>58,508</u> | <u>1,782</u> | <u>5,622</u> | <u>152,154</u> | <u>47,200</u> |
| EXPENSES | | | | | | |
| Communications and promotions | 1,140 | - | - | 2,336 | 3,476 | - |
| Meetings and conventions | 552 | 481 | - | - | 1,033 | - |
| Office expenses | - | 81 | - | 71 | 152 | 94 |
| Salaries and benefits | 83,072 | 62,255 | 10,756 | 3,070 | 159,153 | 4,706 |
| Technical and consulting fees | - | 26,057 | 7,687 | - | 33,744 | 22,700 |
| Travel and accommodation | 1,478 | 134 | 752 | 145 | 2,509 | - |
| Website costs | - | - | - | - | - | 19,700 |
| | <u>86,242</u> | <u>89,008</u> | <u>19,195</u> | <u>5,622</u> | <u>200,067</u> | <u>47,200</u> |
| OTHER INCOME | | | | | | |
| Internal grants | - | 30,500 | 17,413 | - | 47,913 | - |
| | <u>86,242</u> | <u>58,508</u> | <u>1,782</u> | <u>5,622</u> | <u>152,154</u> | <u>47,200</u> |
| EXCESS OF REVENUES OVER EXPENSES | | | | | | |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |